

WATER ALLOCATION PROGRAM DEVELOPMENT WATER RATES COMMITTEE MEETING

MINUTES OF MEETING

March 5, 2003

Members Present:

John Bell
Jean Bondarevskis
George Burke
Ken Burke
Guy Lefebvre

Members Absent:

Brenda Baum
Anna Coelho*
Anthony Simeone
Ted Garille
Ken Payne
Al Mancini
Bill Cox

**designee for Anthony Simeone*

Guests

None.

Water Resources Board Staff:

Connie McGreavy
Kathy Crawley

I. CALL TO ORDER:

With a quorum present, Ms. Jeanne Bondarevskis called the meeting to order at 10:19AM.

II. APPROVAL OF MINUTES:

On a motion by Mr. Lefebvre, seconded by Mr. Ken Burke, the minutes of the February 5, 2002 meeting were approved.

III. ITEMS FOR ACTION:

A. Approve Top 5 priority tasks

Ms. Bondarevskis reviewed with the committee the prior meeting where Ms. Crawley from the RI Water Resources Board (WRB) reviewed the Mission and deliverables. A task list of about 30 items had been developed and the committee had to rank the top 5. Each committee member reviewed the list and ranked their individual top 5 tasks. Ms. Bondarevskis then polled the members present and compiled a list of the top 5 tasks. The committee did review each task and determine if it was a high priority, medium priority or sub-task to another item listed.

The top 5 tasks (including sub-tasks) were:

- 1, Investigate pricing water according to value, full cycle of water use and future supply
- 2, Rates spreadsheet
- 3, Consider DSM charge, i.e., Conservation Fund (legislation)
- 4, Evaluate use of other fees (hydrant fees, registration fees, impact fees)
- 5, Investigate seasonal rates and preferred rates for those that optimize water use

The committee did discuss all tasks and Ms. Bondarevskis agreed to prioritize the list for the next meeting. Ms. McGreavy did mention that the Water Use Reporting committee may be categorizing users as well as suppliers. They may also be quantifying unmetered

uses. She then mentioned that our committee can ask the Water Use Reporting committee for any information they develop on these tasks. The committee then discussed that task 2 will address the first deliverable and the other four will address the second deliverable.

The committee also discussed the task, Assessing the return on investment from conservation kits, as something that could be done at a later time. Ms. Bondarevskis mentioned that she thought this was a more minor task, to be done if the committee had time. She discussed that Providence Water did have a conservation program where kits were offered to all 70,000+ customers. Unfortunately, it was difficult to quantify the benefits. Mr. Ken Burke advised that for Westerly, they did not have any conclusive information on how effective it was, because it was difficult to segregate demand and growth versus the effectiveness of the program. Therefore, the committee did feel that this particular task could be done at a later date.

The committee discussed the per capita spending task. Mr. Lefebvre advised that he had read through a Scientific Advisory committee paper on this issue. In the end, it was not an amount that should necessarily be spent to have good stewardship of the system, it was a grounds to determine whether variances are in order. It was different than originally thought. Mr. Lefebvre then mentioned that the rate spreadsheet may want to incorporate wastewater fees with the water fees. The committee discussed this issue and the fact that the spreadsheet only has typical residential customers that use 100 hcf (74,800 gallons) per year. Mr. Bell then provided copies of select pages from an annual report that Providence Water files with the Public Utilities Commission (PUC). He mentioned that he could revise the spreadsheet if the information could be obtained from other water suppliers. The committee agreed to discuss this later in the meeting under progress on tasks.

Mr. George Burke was concerned about drought. He advised the committee that his company, Ocean State Power, has to buy water when the river flow falls below a level specified in a permit. This creates an additional cost that he has to pass on to the consumers. However, he does have to weigh supply and demand considerations into his pricing. The committee then discussed how the price of water may affect many factories that may cause them to shut down. That is one thing we would have to think about. Some costs can be passed on to consumers and some cannot.

IV. ITEMS FOR DISCUSSION:

A. Progress on Assigned Tasks

The committee then moved on to a review of the assigned tasks. Ms. Bondarevskis distributed a revised spreadsheet of the potential revenue that would be derived from a DSM fee. The 3/5/03 spreadsheet included numbers obtained from Ms. McGreavy. The sheet showed what potential revenue could be derived from existing public water suppliers. Ms. McGreavy mentioned that one state the WRB had looked at had a half million dollars in costs just to implement a DSM charge.

Ms. McGreavy mentioned that the committee may want to go back to an earlier handout on other revenue sources to explore. If the committee felt we needed to consider other fees and charges, we may want to reexamine the list of public funding sources that the state of Connecticut had put together. If we felt that the DSM was not enough, or if we

felt we did not want to do DSM, maybe a bottle bill could be considered. That is why the list may be important to review.

B. Reports on research materials:

Ms. Bondarevskis reviewed her thoughts on the Narragansett Bay Commission (NBC) report. She mentioned the fact that the report identified the benefits of the program and who should pay, and they linked these two issues together right at the beginning. The report also discussed “legal sufficiency” on page 2. The report says that in order for any utility charge to meet the test of legal sufficiency it must be equitable, it must be tied to a tangible service or benefit, and based on the best available information. The report also provided two alternatives. Our committee may want to consider this in any recommendation that is brought to the larger committee. Mr. Bell mentioned that NBC had the report prepared. Mr. Bell was going to check on the status of the report with the PUC and email the committee.

No report was given on the analysis of the Water Use and Availability in the Pawcatuck River Basin. If committee members could review the documents and be prepared to discuss it at the next meeting, this would be appreciated.

V. OTHER BUSINESS:

- A. A lead representative will plan to report to the WAPAC in March.
- B. Mr. Ken Burke was asked if he would agree to be the Regulated Riparian Code expert. He did not feel that he would be able to. Ms. McGreavy would attempt to contact Ms. Baum to determine if she would be able to do this for the committee.
- C. Ms. McGreavy distributed a magazine, “*The Water Front*”. She added that the Education committee had just written a \$45,000 grant to EPA to use URI’s Coastal Resources Center’s magazine to educate the public about water allocation. It has just come out and she wanted the committee to have a copy. They are looking for writers for the magazine.
- D. The next committee meeting will be held on Apr. 8th from 9:30AM-11:30AM at the Providence Water Supply Board, 552 Academy Avenue, Providence.

VI. ADJOURNMENT:

On a motion by Mr. Bell, seconded by Mr. Ken Burke, the meeting adjourned at 12:20 PM.

Respectfully submitted,

Jeanne Bondarevskis
Providence Water Supply Board

*Note: For more information on Water Allocation, visit: <http://www.seagrant.gso.uri.edu/scc/wrb/index.html>.